

Mutual Fund Savings And Expense Ratios

Operating Expenses as a Percentage of Average Net Assets

(From Prospectus)

Equity/ Prospectus Date	Expense Ratio ^(1, 2)	12b-1 fee	Reimbursement to MSRP
Fidelity Puritan Fund/ 09/29/05	0.63%	-	0.25%
DWS Value Builder Fund - Instl Class/ 08/01/05	0.90%	-	0.15%, @ \$100M change to 0.17%
Fidelity Growth & Income Fund/ 09/29/05	0.69%	-	0.25%
Legg Mason Value Trust – Institutional Class/ 08/01/05	0.69%	-	0.04%<\$40M, 0.06%\$40-100M, 0.08%>\$100M
Vanguard Institutional Index Fund ⁽³⁾ / 04/29/05	0.05%	-	0.00%
Washington Mutual Investors Fund – Class A	07/01/05	0.61%	0.25%+\$3/participant/fund
Growth Fund of America – Class A/ 11/01/05	0.68%	0.25%	0.25%+\$3/participant
Dreyfus Midcap Index Fund/ 03/01/06	0.50%	-	0.30%
Van Kampen MidCap Growth Fund – Class A/ 07/29/05	1.41%	0.25%	0.40%
Lord Abbett Mid-Cap Value Fund – Class A/ 05/01/05	1.13%	0.36%	0.40%
Delaware Trend Fund – Institutional Class/ 10/28/05	1.08%	-	\$6/participant/source
MainStay Small Cap Opportunity Fund – Class I/ 03/01/06	1.16%	-	0.15%
T. Rowe Price Small Cap Stock Fund ⁽⁶⁾ / 05/01/05	0.94%	-	0.10%
EuroPacific Growth Fund – Class A/ 06/01/05	0.83%	0.25%	0.25%+\$3/participant/fund
Bond			
Federated U.S. Government: 2-5 Years ⁽⁴⁾ / 03/31/06	0.71%	-	0.10%
PIMCO Total Return Fund – Institutional Class ⁽⁵⁾ / 07/29/05	0.43%	-	0.00%
Money Market			
Vanguard Prime Money Market Fund/ 12/23/05	0.30%	-	0.00%

⁽¹⁾ Reported fund returns are net of these expenses.

⁽²⁾ Includes investment advisory, shareholder servicing, custodial, accounting, legal, auditing, prospectus and shareholder reports, registration, proxy and annual meeting directors; and where applicable, 12(b)1 fees.

⁽³⁾ PIMCO's Prospectus Supplement dated 09/30/05 reported new fees for operating expenses as reported above.

⁽⁴⁾ The shareholder services provider for the Federated US Gov't: 2-5 Yrs Fund has agreed to waive 0.13% of its fees, lowering the effective expense to 0.58%.

⁽⁵⁾ For Institutional Plus Shares, with investment minimum of \$200 million, the total annual fund operating expense is 0.025%.

⁽⁶⁾ T. Rowe Price increased it's rebate ("payment for administrative services") from 5 basis points to 10 basis points effective 4/1/2003.

MSRP 05/2006



REIMBURSEMENT PROGRAM

Helping to make the Maryland Supplemental Retirement Plans affordable and more productive for all State employees.

**Maryland Teachers & State Employees
Supplemental Retirement Plans**

6 Saint Paul Street - Suite 200
Baltimore, MD 21202-1608
410-767-8740 ~ 1-800-543-5605

The Board of Trustees for the Maryland Supplemental Retirement Plans, through successful negotiations, has developed an original and effective Reimbursement Program for their supplemental retirement plan participants. The reimbursement program is designed to refund participants for part of the fund's annual operating expenses. This benefit of the Maryland Supplemental Retirement Plans is not typically offered by other retirement savings programs.

At the board's direction, reimbursements (also known as mutual fund savings) are used to buy additional shares in the applicable funds on a regular basis. These shares are then distributed to participants' accounts on a quarterly basis. In 2005, the mutual funds in the MSRP plan refunded nearly \$2.5 million back to participant accounts, over \$16 million has been returned to MSRP participants since 1995, when the Mutual Fund Reimbursement Program began. State participants can look for their reimbursements on their account statement under the heading "Mutual Fund Savings".

The Reimbursement Program is part of the continuous effort by The Board of Trustees to make the Maryland Supplemental Retirement Plans affordable and viable for all Maryland State Employees.



FREQUENTLY ASKED QUESTIONS

Who pays reimbursements?

Reimbursements are paid by the sponsors and distributors of the mutual funds used in this and similar programs -- T. Rowe Price, Fidelity, etc.

Why do they pay them?

Reimbursements are paid when a person or investor, like Nationwide Retirement Solutions, performs administrative detail that would otherwise be done by the fund sponsor. This normally includes, at a minimum, preparation of a statement, distribution of a prospectus, and general service to the investor.

Who gets them?

Mutual funds do not pay reimbursements to individual investors. They do pay reimbursements (or similar allowances) to Trustees, brokers and plan administrators. Those persons then decide whether to keep the reimbursements or distribute them.



Who gets them in Maryland?

You do. The Board restricts its administrator from receiving reimbursements from any fund, so that the administrator will have no incentive to favor one fund over another. When the Board began its reimbursement program, it decided that the refunds should be passed through directly to investors in the particular fund that pays the reimbursement. The calculation and distribution is done for any quarter if there are reimbursements available for distribution. The precise amount shows up on your statement under the heading "Mutual Fund Savings."

How much are they?

Reimbursements are a good example of how small percentages can add up to big dollars. Since 1995 over \$16 million has been collected from mutual funds and redistributed to participants. The precise amount varies from fund-to-fund; there is no standard reimbursement amount, and the precise refund is negotiated by the Board and the mutual fund. A typical reimbursement will run between 10 and 20 basis points a year (0.1-0.2%). For example, if you have \$50,000 in a mutual fund that pays a 10 basis point rebate, your savings would be \$50 a year. Not all funds pay reimbursements; if you want to know the most current reimbursement for a particular fund, please refer to the chart on the back of this publication.

How do reimbursements affect investment decisions?

Reimbursements are best viewed as part of your investment return/investment expense ratio. A participant in the MSRP gets an investment return, and pays his/her share of expenses necessary to earn that return. Reimbursements reduce those expenses. For some funds, reimbursements pay most of the administration expense for NRS and the Board; other options (ex.: Vanguard Index Fund; Investment Contract Pool) do not pay reimbursements but have very low expense ratios. Standard financial planning advice looks at both elements--expected return and investment expense -- in choosing one investment option over another. This is particularly true if you are estimating total expenses, or comparing expenses inside the plan to expenses for a different retirement option, such as an IRA account. ♦